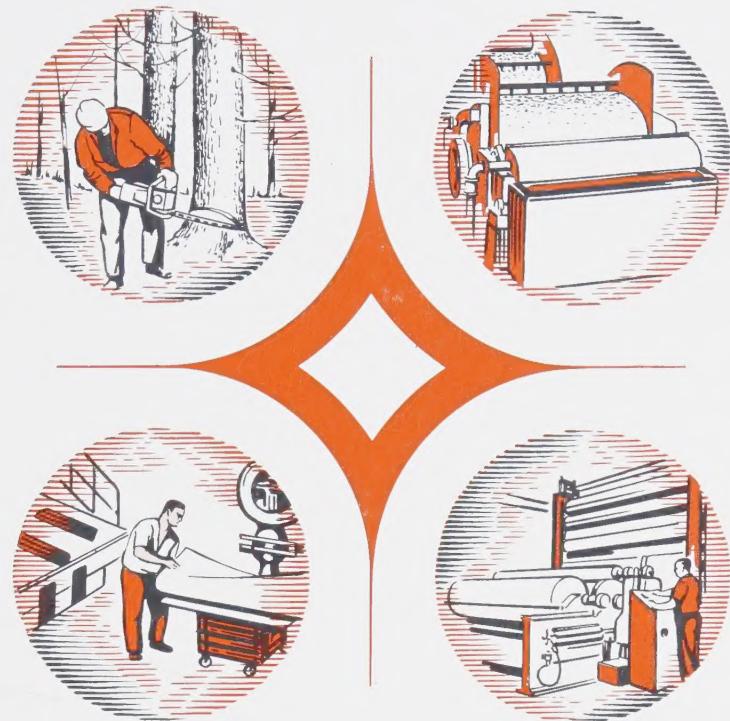
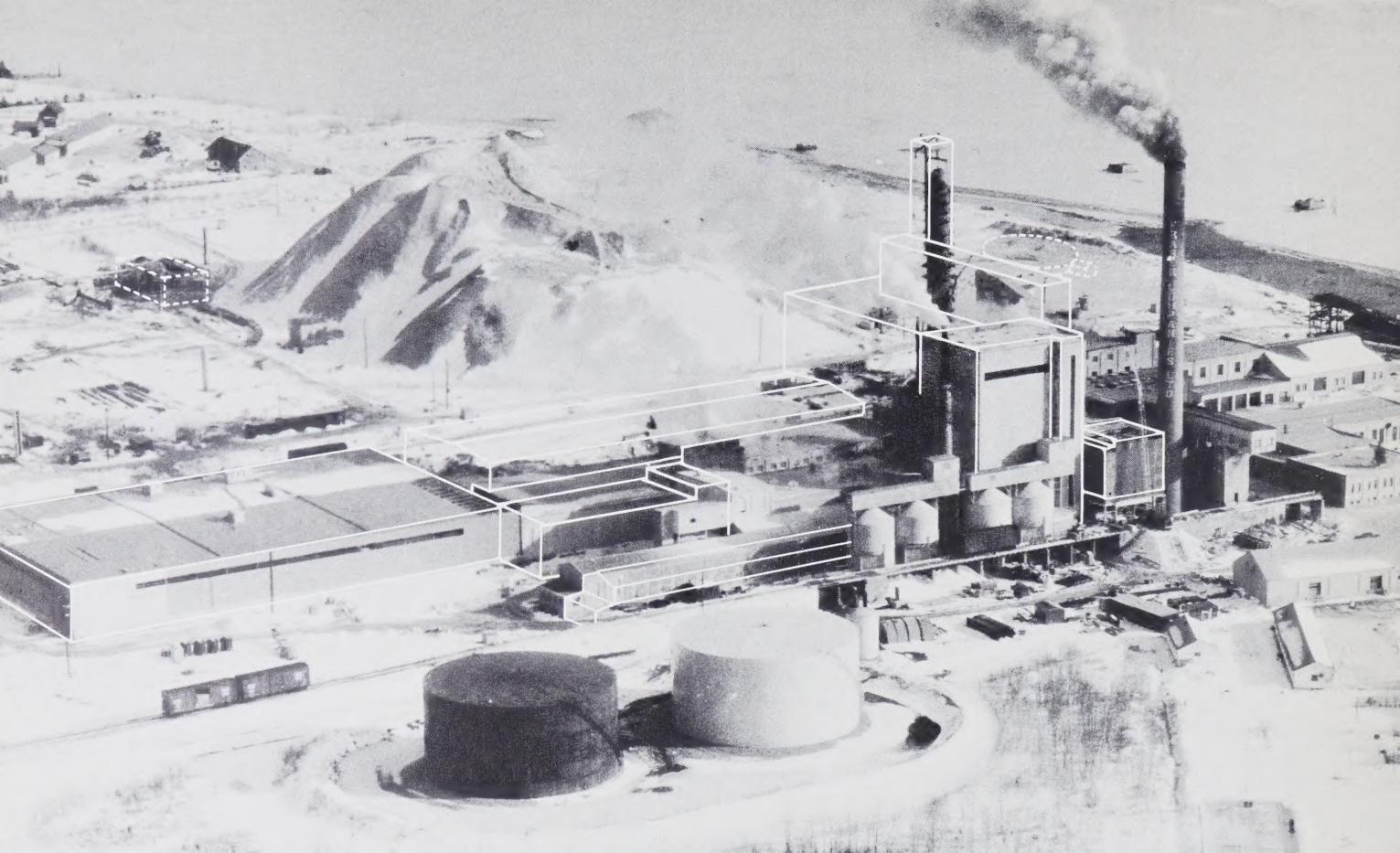


AR25



FRASER COMPANIES, LIMITED

ANNUAL REPORT 1964



Construction progress at the Newcastle mill.

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Fraser Companies, Limited

FRASER COMPANIES, LIMITED

Executive Offices — Edmundston, N.B.

BOARD OF DIRECTORS

E. R. Alexander	Montreal, P.Q.	John E. L. Duquet, Q.C., LL.D.	Montreal, P.Q.
<i>Vice-President, Finance, Sun Life Assurance Company of Canada</i>		<i>Duquet, MacKay, Weldon, Bronstetter, Willis & Johnston</i>	
F. Philippe Brais, C.B.E., Q.C.	Montreal, P.Q.	*Philip L. Hovey	Edmundston, N.B.
<i>Brais, Campbell, Pepper & Durand</i>		<i>President</i>	
*Ralph B. Brenan	Saint John, N.B.	*Roy A. Jodrey, D.C.L., LL.D.	Hantsport, N.S.
<i>President, G. E. Barbour Company, Limited</i>		<i>President, Minas Basin Pulp and Paper Company Limited</i>	
Arthur H. Campbell	Montreal, P.Q.	Donald E. Kerlin	Montreal, P.Q.
<i>Director, Canada Permanent Trust Company</i>		<i>President, Montreal Trust Company</i>	
Aubrey Crabtree, LL.D.	Edmundston, N.B.	K. W. Matheson	Edmundston, N.B.
<i>Chairman of the Board</i>		<i>Vice-President</i>	
*H. Roy Crabtree, LL.D.	Montreal, P.Q.	*A. L. Penhale, D.Sc., D.C.L.	Montreal, P.Q.
<i>Chairman and President, Wabasso Cotton Company Limited</i>		<i>President, Asbestos Corporation Limited</i>	
F. Ryland Daniels	Montreal, P.Q.	L. M. Sherwood	Edmundston, N.B.
<i>President, Dominion Textile Company, Limited</i>		<i>Former Vice-President</i>	
Frank H. Sobe	Stellarton, N.S.		
<i>Chairman, Sobe Stores Limited</i>			

*Member Executive Committee — H. Roy Crabtree, *Chairman*

OFFICERS

Aubrey Crabtree	Philip L. Hovey	K. W. Matheson	C. T. Clark
<i>Chairman of the Board</i>	<i>President</i>	<i>Vice-President</i>	<i>Vice-President — Manufacturing</i>
W. A. Ketchen	E. S. McLean	G. G. Gillies, F.C.I.S.	F. B. Richards, C.P.A.
<i>Vice-President — Technical Services</i>	<i>Treasurer</i>	<i>Secretary</i>	<i>Controller</i>
H. P. Hierlihy	B. W. Hicks, F.C.I.S.	C. S. Henderson	H. M. Logan, c.A.
<i>Assistant Treasurer</i>	<i>Assistant Secretary</i>	<i>Assistant Controller</i>	<i>Assistant Controller</i>

DIRECTOR'S REPORT

TO THE SHAREHOLDERS, FRASER COMPANIES, LIMITED

FINANCIAL

Sales in 1964 of \$64,844,084 were the highest in the Company's history and exceeded those of 1963 by \$2,982,056. Revenue from market pulp sales was at a record level and revenue from paper sales was near the previous high.

Net earnings for the year amounted to \$5,016,423, an increase of \$828,851 over last year. These earnings were equivalent to \$2.25 per share as compared with \$1.88 per share in 1963.

Before interest charges and provisions for depreciation, depletion and income taxes, earnings were \$13,944,015 including \$3,071,252 from the conversion of United States funds into Canadian funds.

The amount provided for depreciation and depletion was \$4,893,092. While depreciation was not provided in the accounts for expenditures on the expansion of the Newcastle pulpmill, maximum capital cost allowances will, however, be claimed for income tax purposes. As a result, the provision for income taxes for the year of \$4,003,000 includes an amount of \$1,060,000 which has been set aside as a provision for future income taxes.

Expenditures on additions to plants and properties, including the Newcastle pulpmill, totalled \$8,276,424. The proceeds from properties sold amounted to \$2,426,166.

Four quarterly dividends of thirty cents per share and an extra dividend of twenty cents per share, totalling \$3,116,543, were declared on the common stock during the year. The regular quarterly

dividend and the extra dividend declared in November, 1964 were paid in January, 1965.

The funded debt was reduced to \$700,000 by the redemption in December of \$350,000 principal amount of First Mortgage and Collateral Trust Bonds 3% Series due 1967.

At year end, the consolidated working capital was \$18,187,401, an increase of \$1,645,310 over the working capital at the end of 1963.

Capital projects scheduled for the next two years, particularly the additions to the Newcastle mill, will require large expenditures. Accordingly, the Company has made arrangements in the United States for a private sale, at par, of \$15,000,000 U.S. First Mortgage and Collateral Trust Bonds 5 1/8% Series due 1987.

OPERATIONS

In the year 1964, a record total of pulp, paper and paperboard was shipped from the mills of Fraser Companies, Limited and Fraser Paper, Limited. The new high of 350,609 tons shipped exceeded the 1963 total by 28,476 tons. The major factor in this increase was the greater volume of pulp shipments from the Company's divisions producing market pulp. The Nova Scotia division contributed to the total for eight months in 1964 compared to six months in 1963. Lumber shipments amounted to 31,343,000 board feet as compared to a total of 32,733,000 board feet in the previous year.

With the increase in demand for both pulp and paper, operations improved in all divisions. The acceleration in demand for paper was most pronounced in the final quarter of the year, and all machines at Madawaska manufacturing paper from bleached chemical pulps operated on a six-day basis for the first extended period since the fourth quarter of 1960.

The depressed level of paper prices in the United States prevailed throughout 1964 but at the end of the year, an improved outlook for 1965 was indicated. Prices for the grades of pulp presently marketed by the Company were unchanged during the year, although prices for bleached and semi-bleached kraft increased in the fourth quarter. Effective January 1, 1965, however, the price of unbleached kraft pulp advanced \$2.50 per ton, and the price of bleached sulphite was increased \$4.00 per ton in the North American market. At the same time, prices in the United Kingdom were increased £1.10.0 and £3.0.0 per long ton respectively.

Labour agreements at the pulp and paper mills of Fraser Companies, Limited and Fraser Paper, Limited were renewed in 1963 for a two-year period. Agreements covering woods and sawmill operations were negotiated on terms consistent with regional settlements in the industry.

The safety of personnel in all operations is of constant concern to supervision and management.

The Madawaska operations were particularly successful and achieved the lowest accident rate in the history of these paper mills, with only one lost time accident during the year.

WOODLANDS

The transition to a greater use of mechanized equipment in woods operations enabled the Company to meet growing pulpwood demands of the pulp, paper and paperboard mills. Improved systems of wood handling are contributing to the more economical harvesting of both pulpwood and sawlogs. The utilization of chips produced from sawmill waste was expanded during the year and continues to further the growth of the region's forest economy.

Present plans are to carry on a spraying program in 1965 to control continued infestation by spruce budworm in specific areas of central New Brunswick.

NOVA SCOTIA DIVISION

The groundwood mill at Sheet Harbour, Nova Scotia together with 110,000 acres of freehold timber lands which were acquired from the Halifax Power & Pulp Company, Limited in June of 1963 were sold to Scott Paper Company on September 8th, 1964.

DIRECTOR'S REPORT *continued*

ROTHESAY PAPER CORPORATION

Construction of the newsprint mill of Rothesay Paper Corporation, located at East Saint John, New Brunswick, in which the Company has an interest, has been completed and the mill is now in production.

NEWCASTLE MILL EXPANSION

The expansion of the Newcastle pulpmill to a daily production of 500 tons of unbleached kraft pulp and the addition of bleaching facilities are proceeding on schedule. When completed in the latter part of 1965, this mill will manufacture bleached, semi-bleached, and unbleached kraft pulp for the world markets, and for use in the Company's operations. The first major step towards the completion of this large expansion program will be the start-up of a new recovery boiler in the second quarter of this year.

PLANT AND PROPERTY IMPROVEMENTS

Numerous capital projects were carried out in the various divisions of the Company during 1964. The planned program of capital expenditures continues to provide greater efficiency of operation, improved quality of product, and contributes materially to maintaining our plants and properties in a modern and competitive condition. Among the many 1964 projects of this nature was the installation in the Madawaska mill of two machine calender stacks, and a constant

tension winder on No. 6 machine which produces light-weight groundwood printing papers. Two new simplex cutters for processing of master and cut size sheets were placed in operation for the more economical finishing of bleached printing grades. Final installations of the new electrical system in the Restigouche division marked the culmination of a three-year program. At the Edmundston mills, a project commenced in 1963 to provide chip handling facilities was completed.

The year 1964 was one of progress in total sales, in physical growth, and in building to meet the demands of the future. The Directors convey their sincere appreciation to all employees and to our customers and suppliers for their contributions to the Company's continued progress.

Submitted on behalf of the Board of Directors.

Philip L. Harvey
President

Edmundston, New Brunswick
February 19, 1965

STATEMENT OF CONSOLIDATED EARNINGS

	YEAR ENDED DECEMBER 31	
	1964	1963
Net Sales	\$64,844,084	\$61,862,028
Interest income	396,053	293,230
	<hr/>	<hr/>
	65,240,137	62,155,258
Cost of products sold, selling, administrative and general expenses	51,296,122	49,467,430
Bond interest	31,500	42,000
Depreciation and depletion	4,893,092	4,887,256
Taxes on income—Note 2	4,003,000	3,571,000
	<hr/>	<hr/>
	60,223,714	57,967,686
Net earnings for the year	<hr/> \$ 5,016,423	<hr/> \$ 4,187,572

Administrative expenses for 1964 include executive officers' salaries and legal fees of \$201,466 and directors' remuneration of \$18,600.

STATEMENT OF CONSOLIDATED RETAINED EARNINGS USED IN THE BUSINESS

	YEAR ENDED DECEMBER 31	
	1964	1963
Balance at beginning of year	\$43,816,169	
Used in the business	1,388,000	
Appropriated for contingencies		
	<hr/>	<hr/>
	45,204,169	\$39,730,657
Net earnings for the year	5,016,423	4,187,572
Net gain on realization of fixed assets	221,770	3,014,483
	<hr/>	<hr/>
	50,442,362	46,932,712
Dividends	3,116,543	3,116,543
Balance at end of year	<hr/> \$47,325,819	<hr/> \$43,816,169

FRASER COMPANIES, LIMITED AND FRASER PAPER, LIMITED

CONSOLIDATED BALANCE SHEET

ASSETS

	DECEMBER 31	
	1964	1963
CURRENT:		
Cash and short term deposits.....	\$ 7,723,656	\$10,023,151
Accounts receivable.....	5,669,535	5,117,507
Inventories, valued at the lower of cost or market, less reserve, comprising raw materials and supplies, goods in process and finished products, and current logging and pulpwood advances.....	14,274,818	10,209,969
Prepaid insurance.....	181,051	225,675
	<hr/> 27,849,060	<hr/> 25,576,302
INVESTMENTS:		
Securities at cost.....	1,613,950	1,613,950
Other.....	117,273	109,869
	<hr/> 1,731,223	<hr/> 1,723,819
FIXED:		
Plants and properties, freehold and leasehold timber limits at cost.....	121,342,666	115,608,350
Less:		
Accumulated depreciation and depletion.....	88,190,988	83,635,608
	<hr/> 33,151,678	<hr/> 31,972,742
Approved on behalf of the Board:		
PHILIP L. HOVEY, Director	\$62,731,961	\$59,272,863
K. W. MATHESON, Director		

NOTES

1. In consolidating the financial statements of Fraser Paper, Limited, which operated in the United States of America, American dollars are expressed as an equal number of Canadian dollars.

2. Canadian taxes on income payable for the year have been reduced by \$420,000 by taking advantage of maximum capital cost allowances for income tax purposes which are in excess of the rates used to record depreciation

in the accounts. The accumulated reduction in taxes to December 31, 1964 is \$716,000.

In addition, the company intends to claim maximum capital cost allowances on fixed assets which were under construction at the end of the year and for which no charge for depreciation has been made to earnings. The amount of \$1,060,000 by which current income taxes payable have thereby been further reduced as a result of this action is

LIABILITIES

	DECEMBER 31	
CURRENT:	1964	1963
Accounts payable and accruals	\$ 6,357,487	\$ 5,922,962
Dividends—payable January, 1965	1,113,051	1,113,051
Taxes on income	2,191,121	1,998,198
	9,661,659	9,034,211
FIRST MORTGAGE AND COLLATERAL TRUST BONDS:		
3% Series due January 1, 1967	\$3,500,000	\$3,500,000
Less: Redeemed	2,800,000	700,000
(\$350,000 redeemable annually)	—	1,050,000
PROVISION FOR FUTURE INCOME TAXES — Note 2	1,060,000	—

SHAREHOLDERS' EQUITY

Common shares without nominal or par value:		
Authorized—3,000,000 shares		
Issued —2,226,102 shares	3,984,483	3,984,483
Retained earnings	47,325,819	45,204,169
	51,310,302	49,188,652
	\$62,731,961	\$59,272,863

included in the provision for income taxes for the year but has been set aside as a provision for future income taxes which may be payable whenever the depreciation recorded in the accounts will exceed that allowable for income tax purposes.

3. During the year 1964, purchases of automotive equipment have been capitalized and depreciation has been provided as a charge to operations, whereas in prior years

expenditures of this nature were charged directly to woods or other operations. The effect of this change on net earnings for the year is not material.

4. Commitments for the purchase of machinery, equipment and construction materials for additions and improvements to plants and properties amounted to approximately \$9,891,000 at December 31, 1964.

AUDITORS' REPORT TO THE SHAREHOLDERS

TOUCHE, ROSS, BAILEY & SMART
CHARTERED ACCOUNTANTS

Fraser Companies, Limited,
Edmundston, N. B.

We have examined the consolidated balance sheet of Fraser Companies, Limited and its wholly owned subsidiary Fraser Paper, Limited as at December 31, 1964 and the related statements of consolidated earnings and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet, as supplemented by the notes thereto, and related statements of consolidated earnings and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Fraser Companies, Limited and Fraser Paper, Limited as at December 31, 1964 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the changes as referred to in Notes 2 and 3 to the financial statements.

Touche, Ross, Bailey + Smart.
Chartered Accountants.

Montreal, Que.
February 1, 1965.

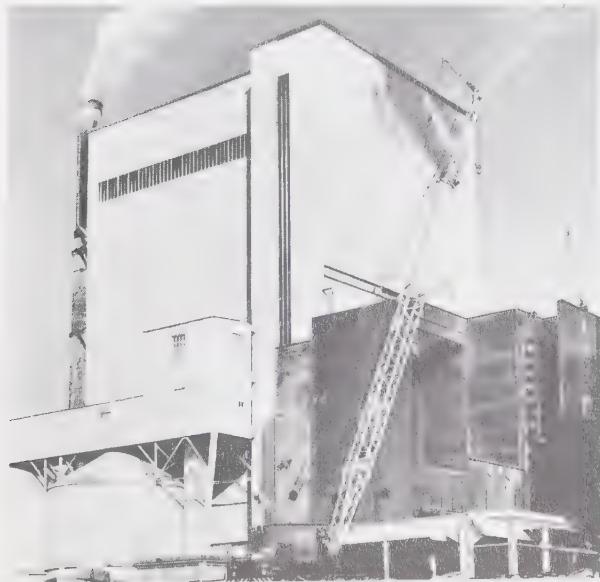
SOURCE AND APPLICATION OF FUNDS

	YEAR ENDED DECEMBER 31	
SOURCE OF FUNDS	1964	1963
Net earnings for the year.....	\$ 5,016,423	\$ 4,187,572
Proceeds of sale of fixed assets.....	2,426,166	3,014,483
Depreciation and depletion.....	4,893,092	4,887,256
Provision for future income taxes.....	1,060,000	—
	<hr/> <u>\$13,395,681</u>	<hr/> <u>\$12,089,311</u>
APPLICATION OF FUNDS		
Net additions and improvements to plants and properties.....	\$ 8,276,424	\$ 5,561,513
Bonds redeemed.....	350,000	350,000
Dividends declared.....	3,116,543	3,116,543
Investments increased.....	7,404	1,605,277
	<hr/> <u>11,750,371</u>	<hr/> <u>10,633,333</u>
Working Capital increased.....	<hr/> <u>1,645,310</u>	<hr/> <u>1,455,978</u>
	<hr/> <u>\$13,395,681</u>	<hr/> <u>\$12,089,311</u>

NEWCASTLE MILL EXPANSION

Construction on the Newcastle kraft pulpmill expansion commenced in the second quarter of 1964 and all phases of the project are well under way. Some of the new facilities in this expansion include a new mill water supply pipeline, increased barking and chipping capacity, a continuous pulp cooking digester, another recovery boiler and precipitator, an additional turbine generator, new bleaching plant, new pulp drying machine, a pulp storage building capable of storing 12,000 tons of finished pulp and an effluent clarification plant.

Pictured at right is the new 165' high Kamyr continuous digester. This equipment processes a controlled quantity of wood chips continuously from the top to the bottom of the digester through various zones before being released as semi-washed pulp. This new process leads to economies in the usage of chemicals and steam and produces a product of more uniform quality. Steel for the digester building which will reach an eventual height of 180' is presently being erected to the right of the digester.



The large, fully enclosed structure in the picture at left will house the new chemical recovery furnace. Currently being assembled within the building, this furnace will be capable of processing 1,600,000 lbs. of solids per day of spent cooking liquor. Valuable chemical which would otherwise be lost is recovered in this unit while at the same time 250,000 lbs. per hour of steam is generated for power and process use. A part of this recovery process is the new electro-static precipitator under erection to the right of the recovery building. The recovery furnace exhaust gases pass through this precipitator where any remaining chemical is extracted.

At the completion of the expansion scheduled for the last quarter of 1965, the Newcastle mill will have an annual capacity of 170,000 tons of unbleached kraft pulp, the greater portion of which will be bleached in the new facilities provided. The unbleached, semi-bleached and bleached pulp will be manufactured for world markets, and for use in the Company's operations.

TEN YEAR COMPARISON

FOR THE YEAR	1964	1963	1962
QUANTITIES SHIPPED:			
Pulp, paper and paperboard (tons)	350,609	322,133	284,889
Lumber (M f.b.m.)	31,343	32,733	29,519
Net sales	\$64,844,084	\$61,862,028	\$59,304,412
Depreciation and depletion	4,893,092	4,887,256	4,756,833
Taxes on income	4,003,000	3,571,000	3,925,000
Net earnings for the year	5,016,423	4,187,572	4,224,900
Additions to plants and properties	8,276,424	5,561,513	3,801,522
Income taxes per common share	1.80	1.60	1.76
Earned per common share	2.25	1.88	1.90
Dividends declared per common share	1.40	1.40	1.40
END OF YEAR			
Working capital	\$18,187,401	\$16,542,091	\$15,086,114
Current ratio (current assets to current liabilities)	3.0	2.8	2.8
Bonded debt	\$700,000	\$1,050,000	\$1,400,000
Common shareholders' equity	51,310,302	49,188,652	45,103,140

NOTE: 2,226,102 common shares were outstanding from 1955 to 1964 inclusive.

Fraser Companies, Limited

1961	1960	1959	1958	1957	1956	1955
268,912	240,288	240,396	242,454	265,214	284,815	273,169
31,089	27,119	31,397	27,691	23,042	30,299	32,746
\$55,605,429	\$53,745,497	\$55,133,065	\$54,564,038	\$57,557,950	\$60,763,503	\$55,229,467
3,980,534	3,669,815	3,627,707	3,938,841	3,726,790	3,621,535	3,418,655
3,311,000	3,380,000	4,271,000	4,484,000	5,081,000	6,338,000	5,230,000
3,380,577	3,613,208	4,150,700	4,621,859	5,298,524	6,705,642	5,710,785
2,443,956	7,589,835	5,097,985	4,346,182	6,482,333	5,011,088	4,174,830
1.49	1.52	1.92	2.02	2.28	2.85	2.35
1.52	1.62	1.86	2.07	2.38	3.01	2.56
1.20	1.20	1.50	1.50	1.50	1.65	1.50
\$13,379,380	\$11,489,722	\$14,823,746	\$15,839,244	\$15,319,393	\$16,471,023	\$15,183,385
2.7	2.5	2.8	2.8	2.5	2.5	2.5
\$ 1,750,000	\$ 2,100,000	\$ 2,450,000	\$ 2,800,000	\$ 3,150,000	\$ 3,500,000	\$ 3,850,000
43,994,783	43,285,528	42,343,642	41,532,096	40,249,390	38,290,019	35,257,445

AN OUTLINE

Four generations of men and women have contributed to the development of Fraser Companies since 1877 when the Company's founder, Donald Fraser, bought his first sawmill. The acquisition and care of timberlands, the construction of mills, the development, manufacture and merchandising of quality products over the decades have been accomplished by the efforts of many able men. Through their loyalty, industry and foresight those who have served as directors, officers and employees have created a multi-million dollar enterprise which today provides full time employment for 3,200 people and seasonal employment for an additional 2,000 to 3,000 men.

The general and executive offices of Fraser Companies, Limited are located in Edmundston, N.B., with sales offices in Montreal, Toronto, New York and Chicago. The Company owns and operates pulpmills in Atholville, Newcastle and Edmundston, N.B., paper mills in Madawaska, Maine, and sawmills in Cabano, P.Q. and Plaster Rock, N.B. Extensive holdings of timberlands, supplemented by purchased wood and wood chips, supply the vast quantity of basic raw material required in the operation of the Company's mills.

WOOD SUPPLY

The harvest of forest products which our woodlands produce are the foundation of the Company's operations. The efficient management of

Sawmill — Cabano, P.Q.



these woodlands involves not only the harvesting of the current crop, but also the general care of the forest to ensure a sustained and maximum yield for future years. The Company's program of forest management requires long-range planning and continuous control of cutting operations. It also includes both the building and maintaining of an adequate road system to permit ready access to the woodlands and an effective organization to provide protection against the ravages of fire, insects and disease.

Research into improved logging techniques and forestry practices continues and has had considerable impact on our logging methods. New techniques together with improved equipment and all-weather roads have permitted the extension of forest operations and provide near year-round employment for the many men involved in the procurement of pulpwood and sawlogs.

SAWMILLS

High quality Eastern Canadian spruce lumber in the amount of 32,000,000 board feet is produced annually at Fraser's two sawmills, one located about forty miles north of Edmundston at Cabano, P.Q., the other at Plaster Rock, N.B., about sixty-five miles south of Edmundston. Lumber from these mills is sold primarily in Canada and the United States although a small amount is sold overseas. Chips are an increasingly

Sawmill — Plaster Rock, N.B.



important by-product of both sawmills. By using the edgings, slabs and trimmings from the operation of our sawmills to manufacture chips, full utilization of the content of the sawlogs is achieved and a more economical wood supply is provided for use in our pulpmills.

ATHOLVILLE PULPMILL

This mill is located at Atholville at the mouth of the Restigouche River about two miles west of Campbellton, N.B., where there is a combined population of approximately 12,200 people. The mill produces bleached sulphite woodpulp at the rate of 275 tons a day. About 85% of the annual production utilizes softwoods harvested from Company-controlled forests and chips purchased from independent sawmill operators. This bleached pulp is sold in Canada, the United States, United Kingdom, Continental Europe and South America. The balance is produced from hardwood and is shipped to our Madawaska paper mills and Edmundston paperboard mill for use in these plants.

NEWCASTLE PULPMILL

The Company's kraft pulpmill is located on the Miramichi River at Newcastle, N.B., a town of 5,400 population. Unbleached kraft pulp is produced here at the rate of 215 tons per day. Approximately one-half of this production is shipped to

the Edmundston mill where it is bleached and pumped to the Madawaska mills for use in a blend of other fibres to provide special qualities in various grades of papers. The balance is sold throughout the western world.

The mill is being expanded to increase the unbleached kraft production to 500 tons per day. Bleaching facilities are being added to semi-bleach or fully bleach all or part of this output.

EDMUNDSTON PULPMILLS

A sulphite pulpmill, a groundwood pulpmill and a paperboard mill are located at Edmundston, N.B., on the Saint John River, a city with a population of 13,500. The sulphite mill produces 450 tons per day of unbleached sulphite of which 80% is subsequently bleached. The groundwood mill has a daily production of 150 tons of groundwood pulp. The mill also has a plant for bleaching the kraft pulp shipped from Newcastle. Most of the fibre produced or processed here is for use at Madawaska, Maine, and is transported as a thin slurry through seven pipelines which link the plants. The remainder is used in the production of paperboard.

The paperboard mill in Edmundston produces high grade coated and uncoated paperboard and has a daily capacity of approximately 85 tons. The products made in this mill are sold in Canada and are primarily used for the packaging of con-

Pulpmill — Atholville, N.B.



Kraft Pulpmill — Newcastle, N.B.



AN OUTLINE *continued*

sumer goods. Cigarettes, cake mixes, breakfast cereals, frozen foods and tea bags are some of the many items packaged in Fraser paperboard. In the packaging industry today high quality printing is essential and the large number of national brands packaged in Fraser products testifies to the quality of paperboard manufactured by our Company.

MADAWASKA PAPER MILLS

Across the Saint John River from Edmundston is the town of Madawaska, Maine, with a 6,500 population. Here are located the two paper mills of Fraser Paper, Limited, a wholly-owned subsidiary of Fraser Companies, Limited. One mill with five modern machines manufactures 480 tons per day of printing and converting papers from bleached chemical woodpulps. An off-machine coater is located in this mill for the production of specialty coated papers. The other mill with its two large high-speed machines produces 235 tons per day of lightweight groundwood printing papers.

The products of these mills cover a wide range. Paper for business forms, catalogues, telephone directories, publications, bread wrap, stamps, giftwrap, books and, of course, paper for annual reports such as this are all manufactured by Fraser. Mill-brand printing papers, *Fra-O-Form*, *Snowland Bond*, *Kedgwick Offset*, *Fra-Opaque*,

Pulpmills — Edmundston, N.B.



and *Notext* are well known to the graphic arts trade.

RESEARCH AND DEVELOPMENT

Through research, the Company continually improves its processes and products, and develops new and specialized products for the ever changing needs of our many customers. Our research laboratories at Atholville carry out both research and pilot plant developments in the field of pulping and chemical recovery. Research and development is also carried out in the technical departments at all of our pulp and paper mills. Outside research is utilized for special studies and we benefit from our support of industry research organizations. Current projects include chemical pulping and bleaching methods, the treatment of wastes and recovery of chemicals, and the development of new coated papers and paperboards.

AN OUTLINE cannot begin to fully explore the many facets of Fraser Companies, Limited. To really know the Company one would have to know the people who make up the Fraser organization. These employees, many of them from families associated with the Company for several generations are justly proud of the organization which their industry and skills have helped to develop. These skills continue to benefit our operations from the forest to the finished product.

Paper Mills — Madawaska, Me.



FRASER QUALITY PRODUCTS

MANUFACTURED IN CANADA

FRASER PULPS

Unbleached Kraft

for: — Specialty Papers - Paperboard

Restigouche Bleached Sulphite

for: — Bond - Book - Offset - Sanitary and Cleansing Tissues - Paperboard

FRASER PAPERBOARDS

Coated and Uncoated Paperboards - Single and Double White Lined Boards - Fra-Pak Solid Bleached Board

for: — Food Containers - Folding Boxes - Specialty Cartons

FRASER LUMBER

Eastern Canadian Spruce

MANUFACTURED IN U.S.A.

FRASER PRINTING PAPERS

Snowland Brands — Bond - Ledger - Manifold - Mimeograph - Duplicator and Offset Papers

for: — Commercial Printing

Fra-O-Form - Kopy Klear Opaque

for: — Multicopy - Continuous Forms

Fra-Opaque - Fra-O-Text - Sno-Text

for: — Direct Mail Advertising - Reference Books

FRASER CONVERTING PAPERS

Fracote - Giftcote - Convertcote - Specialty Coated and Uncoated Papers

for — Carton Wraps - Bread Wraps - Bands and End Labels - Frozen Food
Wraps - Treated Food Wraps - Drinking Straws - Giftwraps - Waxings -
Greeting Cards - Charts - Stamps - Tablets - Envelopes - Flameproof
Decorative Papers and other Specialty Paper Products

FRASER GROUNDWOOD PAPERS

Lightweight Specialties in Gravure, Letterpress and Offset Finishes

for: — Catalogue - Directories - Publications

MILLS AND OFFICES

FRASER COMPANIES, LIMITED

GENERAL AND EXECUTIVE OFFICES EDMUNDSTON, NEW BRUNSWICK

MILLS

Edmundston, N.B.	Sulphite and groundwood pulpmills, sulphite and kraft bleaching plants and paperboard mill
Atholville, N.B.	Bleached sulphite pulpmill
Newcastle, N.B.	Unbleached kraft pulpmill
Plaster Rock, N.B.	Sawmill and dressing mill
Cabano, P.Q.	Sawmill and dressing mill

DIVISIONAL OFFICES FOR DISTRICT WOODS OPERATIONS

Edmundston, N.B.
Newcastle, N.B.
Atholville, N.B.
Plaster Rock, N.B.
Cabano, P.Q.

SALES OFFICES

Royal Bank of Canada Building, 1, Place Ville Marie, Montreal 2, Quebec 159 Bay St., Toronto 1, Ontario	Pulp and paperboard sales
Edmundston, New Brunswick	Paperboard sales

Lumber sales

FRASER PAPER, LIMITED (Subsidiary Company)

MILLS

Madawaska, Maine	Paper mills manufacturing high grade specialty papers from chemical and groundwood pulps
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SALES OFFICES

420 Lexington Ave., New York 10017, N.Y. 111 W. Washington St., Chicago 60602, Ill.
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AUDITORS

- TOUCHE, ROSS, BAILEY & SMART
Chartered Accountants,
Royal Bank Building, 1, Place Ville Marie, Montreal, Quebec

STOCK TRANSFER AGENT AND REGISTRAR

- MONTREAL TRUST COMPANY
P.O. Box 1900, Station B, Montreal 2, Quebec
- 112 King Street West, Toronto, Ontario
- 43 King Street, Saint John, New Brunswick
- 466 Howe Street, Vancouver, B.C.

STOCK LISTED

- MONTREAL STOCK EXCHANGE
- TORONTO STOCK EXCHANGE

THE ANNUAL GENERAL MEETING of the Shareholders of Fraser Companies, Limited will be held at the general office of the Company at Edmundston, N.B. on Wednesday, the 24th day of March, 1965, at the hour of ten o'clock in the forenoon, Atlantic Standard Time.



FRASER COMPANIES, LIMITED

EDMUNDSTON, NEW BRUNSWICK